

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)	
COMPANY TO WITHDRAW ITS TARIFF RTP)	
PENDING SUBMISSION BY THE COMPANY)	CASE NO.
AND APPROVAL BY THE COMMISSION OF A)	2012-00226
NEW REAL-TIME PRICING TARIFF)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before July 13, 2012. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to Kentucky Power's June 1, 2012 Application ("June 1 Application"), pages 3-4, paragraph 8. Provide in electronic format, with formulas intact and unprotected, the applicable tariffs and the supporting calculations used in determining Kentucky Power's average embedded capacity costs for the eligible Real Time Pricing ("RTP") customers of \$13.165 per kW-month.

2. Refer to the June 1 Application, page 4, paragraph 11. Provide in electronic format, with formulas intact and unprotected, the calculations, by customer, supporting Kentucky Power's statement that "the Company could experience a revenue loss of approximately \$10 million to \$20 million during the period July 1, 2012 to June 30, 2013."

3. In the event the Commission requires Kentucky Power to: (1) continue its existing RTP Tariff until otherwise ordered by the Commission; or (2) continue the RTP Tariff on a permanent basis, explain whether the revenue loss of approximately \$10 million to \$20 million would be a one-time nonrecurring loss or an annually recurring loss under each scenario.

4. If Kentucky Power files a base rate proceeding reflecting the \$10 million to \$20 million revenue loss in its test year, explain which class of customers would make up the \$10 million to \$20 million shortfall.

5. Refer to the June 1 Application, page 5, paragraph 12. It states, “[t]he Company recognizes its obligation under the Commission’s Order in Case No. 2009-00459 to offer a Real-Time Pricing tariff through June 29, 2013. The Company also recognizes the interest of both the Commission and certain of its customers in the continued availability of a Real-Time Pricing tariff.”¹ Explain whether Kentucky Power maintains it has an obligation to serve customers under the RTP Tariff that was part of the stipulation agreement in Case No. 2009-00459,² or under the proposed Rider RTP filed with the Commission on June 11, 2012.

6. Is Kentucky Power aware that, in Case No. 2011-00428,³ the Commission authorized Duke Energy Kentucky’s Rate RTP Program to continue until otherwise ordered by the Commission?

7. Is Kentucky Power aware that, in Case No. 2012-00010,⁴ the Commission

¹ Case No. 2009-00459, *Application of Kentucky Power Company for a General Adjustment of Electric Rates* (Ky. PSC Jun. 28, 2010).

² *Id.*

³ Case No. 2011-00428, *Application of Duke Energy Kentucky for Approval to Modify and Extend the Availability of its Rate RTP, Real Time Pricing Program* (Ky. PSC Dec. 28, 2011).

⁴ Case No 2012-00010, *Request of Kentucky Utilities Company and Louisville Gas and Electric Company to Continue Their Real-Time Pricing Riders on a Permanent Basis* (Ky. PSC Mar. 20, 2012).

authorized Kentucky Utilities Company and Louisville Gas and Electric Company to continue their Real-Time Pricing Riders on a permanent basis?

8. Refer to the June 1 Application, Direct Testimony of Ranie K. Wohnhas (“Wohnhas June 1 Testimony”) page 7, line 3, which states, “[r]ecently, three large customers requested to move up to 200 megawatts of load onto Tariff RTP.³” Provide the footnote reference.

9. Refer to the June 1 Application, Wohnhas June 1 Testimony, page 8, Table 1, line 19. Provide the specific reference in Case No. 2009-00459 where the calculation of the cost-based capacity charge for the QP and CIP-TOD⁵ tariffs can be located.

10. The December 21, 2006 Order in Case No. 2006-00045,⁶ page 13, states that “[t]he Commission believes that some of the large commercial and industrial customers of the other jurisdictional utilities may benefit from real-time pricing tariffs because such customers have greater operating flexibility and, therefore, greater ability to modify their consumption patterns.” Explain Kentucky Power’s understanding of the Commission’s statement.

11. Reference 807 KAR 5:011, Section 3(4), which states, “[t]he front cover page of a tariff shall contain the following: . . . (e) Signature of the officer of the utility

⁵ “QP” is a reference to Quantity Power. “CIP-TOD” is a reference to Commercial Industrial Power-Time of Day.

⁶ Case No. 2006-00045, *Consideration of the Requirements of the Federal Energy Policy Act of 2005 Regarding Time-Based Metering, Demand Response, and Interconnection Service* (Ky. PSC Dec. 21, 2006).

authorized to issue tariffs.”

Provide the following:

(a) A list of Kentucky Power’s officers and their titles as of June 1, 2012.

(b) Is Kentucky Power currently billing any customers pursuant to a tariff which, when filed, did not have the signature of the officer of the utility authorized to issue tariffs? If yes, provide a description of each such tariff.

12. Refer to Kentucky Power’s June 11, 2012 Application (“June 11 Application”) proposing a Rider Real-Time Pricing (“Rider RTP”), page 8, paragraph 22. It states: “Rider RTP will be offered on an experimental basis, subject to the orders of the Commission, through June 30, 2015. On or before December 30, 2015, the Company will file with the Commission and serve on any parties an evaluation of the Rider RTP.” In the event the Commission approves Kentucky Power’s proposed Rider RTP, in an effort not to disrupt any customer’s operation that may be on Rider RTP on June 30, 2015, would Kentucky Power file an evaluation by December 30, 2014 to allow the Commission a six-month period for review prior to Rider RTP’s proposed termination date?

13. Refer to the June 11 Application, Direct Testimony of Ranie K. Wohnhas (“Wohnhas June 11 Testimony”) page 7, line 8. Explain whether the word “administration” should be inserted following the word “billing.”

14. Refer to Wohnhas June 11 Testimony, RKW Exhibit 1, 2nd Revised Sheet No. 30-2, which states “[a] customer’s bill will only vary from its Standard Bill to the extent that its hourly usage pattern varies from its CBL.”⁷ Explain whether it is more

⁷ “CBL” is a reference to Customer’s Baseline Load.

accurate to state that, except for the program charge, a customer's bill will only vary from its standard bill to the extent that its hourly usage pattern varies from its Customer Base Line. If not, explain.

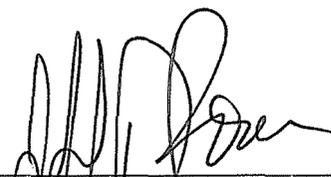
15. Refer to Kentucky Power's June 1 Application, paragraph 5, page 3. Kentucky Power states that three large customers recently inquired about moving as much as 200 MW of load onto Tariff RTP. Since the inception of Tariff RTP, identify:

(a) The identity of each customer that has inquired about moving any portion of its load onto Tariff RTP.

(b) The amount of load each customer has inquired about moving onto Tariff RTP.

(c) If not placed on Tariff RTP, the reason the customer was not placed on the tariff. Include in the explanation whether the customer withdrew interest, or the customer was denied participation.

(d) If not directly addressed in the response to Question 2, provide the lost revenues that would have resulted to Kentucky Power if each customer who inquired about moving any portion of its load onto Tariff RTP had been served under Tariff RTP for the 12 months ending December 31, 2011 and for the 12 months ending July 1, 2012.



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cc: Parties of Record

Case No. 2012-00226

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